

The Rumbblings of A Giant in the Microcomputer Market: What Do I Buy Now?

The Giant generally doesn't stay quiet for very long. To his neighbors it has become a fact of life to second-guess when he will hand down his next edict and who will suffer the consequences. Few of his neighbors, however, would deny that there are benefits in living under the Giant's shadow. But these things call for careful planning and a wizard's understanding of the future.

Given the Giant's whims and the break-neck pace that these people must keep, one would not exactly describe this anxiety laden arrangement as "peaceful co-existence."

For example, on an otherwise peaceful Spring day the Giant ended months of rumor and speculation with the simple announcement:

"In 1981, we introduced the world's most successful personal computer.

"Here we go again."

When IBM says "Here we go again" the Silicon Valley "neighbors" are more likely to look upon the impending voyage as a wild goose chase than as a guided tour through the woods. *Experts guess*

It has been over a year since IBM's April 2nd unveiling of the Personal System/2 (PS/2) and new operating system (OS/2). The Silicon Valley community has yet to pull itself free from the debris kicked up by the announcement.

Before the April announcement there already was a whole mythology surrounding the evolution of the microcomputer market. IBM versus the good guys and all that. Not exactly objective but legends seldom are.

RESPONSE: rejection and acceptance (no one can ignore the grunts of a giant)

HISTORY: When the Giant first came to stay in Silicon Valley. *what does the consumer*
August '81, IBM entry into the Microcomputer market

*new hardware (8088 processor)

*new operating system (MSDOS)

RESULT: Majority of the market followed IBM's lead
(abandoned previous architecture [8080/Z80 chip] and operating system [CP/M],
eventual demise of CP/M ---> cult status)

1981 & 1988 ANNOUNCEMENTS: SIMILARITIES/DIFFERENCES

WHAT NOW COACH?^Z

Outline

1 APRIL 2nd ANNOUNCEMENT: IBM, computer giant shakes up silicon valley

1.1 *new hardware (PS/2)

multiple programs originally written for MSDOS

~~of the microprocessor, such as the ability to run more than one~~
(multitasking)
program at once and run ~~more~~ complex user programs ~~which are~~ too
big to work under MSDOS¹, ~~and at the same time~~ ^{aid at the structure run programs} current IBM PC/XT
users could continue to use the ^{MSDOS} programs that they ~~were~~ ^{are} using and
move on to this new hardware/system software without skipping a
beat (or buying all new + expensive software).

But IBM chose ~~the 00286~~ ^{the 286} to build the new operating system,
OS/2, around ^{it} While the ~~00286~~ also featured the ability to run
more than one program at once and run programs too complex to
work under MSDOS, ~~but~~ ^{simultaneously} cannot do all these things and run current
MSDOS programs. So, someone thinking about using all of this new
technology must face the possibility of eventually replacing all
of his application software (not all at once mind you, you can
still use it, but you don't have access to all the neat
features). ^{thousands being} Not much different from running a current IBM AT under
MSDOS.

Then, as if to make sure the message was properly recieved,
IBM used a bus structure in the PS/2^{which is called} MicroChannel Architecture
(MCA), which is incompatible with the old PC/AT bus structure.
They said that they did this to improve the system's performance,
which is no doubt true. But by patenting many of the components
used to impliment MCA they are also telling third party
manufacturers, "You can build boards that work with our computers
but you cannot build computers that duplicate our boards, or
we'll see you in court." Giants can be rather heavy handed at
times.

About this time the thought of forgetting all about PCs and

investing in an Apple Macintosh doesn't sound like such a bad idea (maybe just as expensive an idea, but not a bad idea). ~~In a word the PC market is in a state of chaos.~~

What this means to the prospective ~~current~~ microcomputer user is that it presents a new level of anxiety behind the decision to buy or upgrade his microcomputer. That is, while the price of PC/XT clones drops to below \$500 and the low end of IBM's PS/2 models, the 25 and 30, drop closer to \$1000, the consumer has to be aware that in eighteen months time, should the new operating system (OS/2) take off, they may have bought technology destined to become like yesterday's eight-track audio tape machines or Beta-format VCRs. In a word, the microcomputer market is in a state of chaos.

PC World editor, Richard Landry writes:

"The problem is that so many companies are offering so-called next-generation products that it's becoming harder and harder to figure which ones are a truly safe bet. If you can afford to watch from the sidelines for a while, then it may all seem like a great game. But if you have to make a PC purchase---or multiple PC purchases---within the next six months, then it may feel like you're playing Russian roulette."

Byte magazine columnist, Jerry Pournelle also suggests that his readers ~~to~~ wait out the storm. Pournelles writes:

"Should you buy a clone, or wait, and if you do get a clone, what kind?

"That's not easy to figure, but one thing is certain; there are a lot of 16-bit users out there [pre-PS/2 users number about

12 million]. Microsoft [the company that developed the ~~current standard operating system~~, MSDOS] isn't about to abandon them, and even if Microsoft were crazy enough to leave all those customers hung out to dry, someone will keep keep their operating systems up to date."

Plu*Perfect Systems co-founder, Derek McKay concurred with Fisher's appraisal of IBM:

"People attribute an enormous marketing skill to them but frankly I don't. I see once they've got a product that's a reasonable success [eg., the original PC/XT/AT models] they do very well marketing with it. But as far as guessing what products to develop, I don't think they have a track record of doing very well. It's probably slightly worse. They've foisted a number of badly conceived products on the world."

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2 RESPONSE: rejection and acceptance (no one can ignore the grunts of a giant)

2.1 "Conspiracy!" IBM trying to control the market

2.1.1 choice of 286 over 386, protect/tie to mainframe market

2.1.2 choice of MCA, protect against clones/use of multiprocessing

2.1.3 counter-arguments: IBM's not that calculated

2.1.3.1 eg., 1st issue of OS/2 on 5 1/4" disks (PS/2 = 3 1/2")

2.1.3.2 availability of 386 chip from Intel, still locked up

2.2 Too little too late

2.2.1 programmers' ego, hate every OS except Unix

2.2.2 MSDOS and clones too well entrenched

2.2.3 multitasking alternatives w/o hard/software investment

2.2.3.1 Software Carousel

2.2.3.2 Desqview

2.2.3.3 Windows

2.2.3.4 Concurrent CP/M (DOS 5.0 ?)

2.3 Welcomed Change: New Sexy Architecture for Programmers to battle

2.3.1 attract them away from Mac

3 WHY SHOULD I CARE?

3.1 If you're an owner: will your PC/XT become a \$3,000 paperweight?

3.2 perspective owner: is that cheap clone really a steal? a la buying a Beta-VCR

4 HISTORY: When the Giant first came to stay in Silicon Valley

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5 1981 & 1988 ANNOUNCEMENTS: SIMILARITIES/DIFFERENCES

5.1 Similarities

5.1.1 I/O confusion:

5.1.1.1 then: CP/M: hundreds of terminals and disk formats

5.1.1.2 now: IBM: video "standards" (CGA->VGA) 5 1/4 to 3/12
disk formats

5.1.2 Strong push from Apple to Dominate the market (Dvorak)

5.1.3 IBM lessons learned from Apple (Fire)

5.1.3.1 then: open architecture & use of 3rd party
hardware/software

5.1.3.2 now: Mac-like interface

5.1.4 One major business OS and several contenders

5.1.4.1 then: CP/M plus AppleDos, P-system, NorthDos, TRSDos,
LDOS, F-DOS, OS-1 . . .

5.1.4.2 now: MSDOS plus Mac's Finder/Multifinder, CP/M-86,
Concurrent CP/M, DOS 5.0

5.2 Differences

5.2.1 In '81 you couldn't migrate from CP/M to MSDOS

without replacing both hardware and software . . . in '88 MSDOS to OS/2 = no hardware change if you have an AT (or compatible) or adding a drop-in card/new motherboard if you don't (Thompson's "tinkertoy," keep the box, drives, peripherals, power supply, replace processor); don't need to replace MSDOS application program, can run MSDOS within OS/2 window. "CP/M was replaced, MSDOS is evolving", greg fisher.

5.2.2 In '81 the business market

was a wide open area, applications programs wide open (room for new spreadsheets, wordprocessors . . .), few micros used in businesses . . . now the standard is set (XT) and the application market is pretty much glutted (per Elco Computer salesman, Weston Song)

6 WHAT NOW COACH?

6.1 Don't panic (especially owners)!!

6.1.1 MSDOS still viable (as CP/M before it)

6.1.2 everything about MSDOS (hardware & software) is upgradable

6.1.3 if you can afford to, wait (the field is wide open)

6.2 Prospective Owner